

# Supreme Court of the United States.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY,  
Defendants-Petitioners,

VERSUS

THE GOODYEAR TIRE & RUBBER COMPANY,  
Complainant-Respondent.

## Notice to Respondent.

TO THE GOODYEAR TIRE & RUBBER COMPANY, THE ABOVE-NAMED RESPONDENT:

Take notice that on the 29th day of May, 1911, at the opening of the Court on that day, or as soon thereafter as counsel can be heard, the petition for writ of *certiorari* in the above-entitled cause, of which a copy is hereto annexed, will be submitted to the Supreme Court of the United States.

LAWRENCE MAXWELL,  
FREDERICK P. FISH,  
STALEY & BOWMAN,  
CHAS. W. STAPLETON,  
Solicitors, and of Counsel for Petitioners.

STATE OF OHIO, } ss.  
County of Clarke, }

CHAS. I. WELCH, being duly sworn, deposes and says: That on 26th day of May, 1911, he served the above notice, together with the following petition and decisions

thereto annexed and also the brief in support of the petition, upon H. A. Toulmin, Esq., of counsel for the respondents herein, by leaving copies thereof with the person in charge of his office in the Bushmill Building, Springfield, Ohio.

CHAS. I. WELCH.

Subscriber and sworn to before me }  
this 26th day of May, 1911. }

OLIVER H. MILLER,  
Notary Public.

SUPREME COURT OF THE UNITED STATES.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY,  
Complainants-Petitioners,

vs.

THE GOODYEAR TIRE & RUBBER COMPANY,  
Defendant-Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT, TO REQUIRE THAT COURT TO CERTIFY TO THE SUPREME COURT OF THE UNITED STATES FOR ITS REVIEW AND DETERMINATION THE CASE OF THE RUBBER TIRE WHEEL CO. & ANO., DEFENDANTS-APPELLANTS, AGAINST THE GOODYEAR TIRE & RUBBER CO., COMPLAINANT-RESPONDENT, IT BEING DOCKETED AS NO. 2037 IN SAID CIRCUIT.

TO THE HONORABLE, THE SUPREME COURT OF THE UNITED STATES:

Your petitioner, the Rubber Tire Wheel Co. and the Consolidated Rubber Tire Company, respectfully petition

this Honorable Court that a writ of *certiorari* may be granted directing the Circuit Court of Appeals for the Sixth Circuit to certify to this Honorable Court for its review and determination the said case of the Goodyear Tire & Rubber Company against your petitioners, and respectfully show to this Honorable Court the following as their reasons:

FIRST.—Your petitioner, the Rubber Tire Wheel Company, is a corporation duly organized and existing under and by virtue of the laws of the State of Ohio, and your petitioner, the Consolidated Rubber Tire Company, is a corporation duly organized and existing under and by virtue of the laws of the State of New Jersey, having its principal place of business in the City, County and State of New York, and your petitioners are the owners of U. S. Letters Patent No. 554,675, issued to Arthur W. Grant, Feby. 18th, 1896. That the Goodyear Tire & Rubber Company is a corporation existing under and by virtue of the laws of the State of Ohio, having its principal place of business at Akron, Ohio.

SECOND.—That said the Goodyear Tire & Rubber Company filed its bill of complaint against your petitioners, the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, in the United States Circuit Court for the Southern District of Ohio, Western Division, on the 23rd day of August, 1907, to enjoin your petitioners from instituting or prosecuting suits for infringement of Letters Patent granted to A. W. Grant, under dated of February 18, 1896, No. 554,675, for improvements in rubber tire wheels, against customers of said the Goodyear Company. That subsequently, to wit, on the 9th day of September, 1908, the affidavit of S. A. Sieberling was filed in said case by the Goodyear Tire & Rubber Company, and on the presentation of the affidavit, a restraining order was issued on that date, restraining, until the further order of the Court, your petitioners from prosecuting, bringing or proceeding further with the suit lately filed in the U. S. Circuit Court of the Southern District

of New York against one John Doherty for the infringement of said Grant patent No. 554,675, or suing any other customer of said the Goodyear Company.

That thereafter said cause came on for hearing on the application for a temporary injunction and same was argued and submitted on affidavits to the Honorable J. E. Sater, Judge of said Circuit Court, and that thereafter an injunction order was entered on the 23rd day of November, 1909, enjoining and restraining *pendente lite* your petitioners, the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, from prosecuting the said suit heretofore brought by them in the Southern District of New York against said John Doherty, an alleged customer of the Goodyear Company, and further restraining and enjoining your petitioners from instituting, maintaining or prosecuting any action in any court of the United States based on said Letters Patent 554,675 against any person, firm or corporation dealing in, buying, selling or using any of the Goodyear Company's solid rubber tires.

That an appeal from said injunction order was duly allowed in open court, and said cause was properly brought before the Circuit Court of Appeals for the Sixth Circuit, and that on the 22nd day of December, 1909, a certified transcript was filed in the Circuit Court of Appeals for the Sixth Circuit, and said cause was duly entered and docketed in said Court and entitled the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, appellants, against the Goodyear Tire & Rubber Company, appellee.

A certified copy of the entire record in the case in the Circuit Court of Appeals is hereby furnished in conformity to Rule 37, and the same is hereby referred to and marked and made a part of this petition. The said certified printed copy of said entire record of the proceedings in said Court contains all the testimony, affidavits and evidence that was presented upon the trial of said case in said Court.

THIRD.—That the said cause came on to be heard in the said Circuit Court of Appeals on the 10th day of October, 1910, before the Honorable Circuit Judges Severns, Warrington and Knappen, and upon the 6th day of December, 1910, the said Circuit Court of Appeals rendered a judgment affirming the order of the Court below modified in the manner indicated in the opinion and decision in writing which is contained in the certified copy of the report of the Court of Appeals at pages 52 to 58, and the same is hereby referred to and made a part of the petition.

FOURTH.—Your petitioners are advised and so believe that said judgment and finding of said Circuit Court of Appeals, in said cause, affirming the judgment of the said Circuit Court are erroneous, without legal jurisdiction and contrary to all the rules, decisions and principles at law laid down by this Honorable Court, and that this Court should require the case to be certified for its review and determination under and in accordance with the Sixth Section of the Acts of Congress entitled "An Act to establish circuits courts of appeals and to define and regulate in certain cases the jurisdiction of the courts of the United States, and for other purposes," approved March 3rd, 1891, the said cause being made final in said Circuit Court of Appeals by said act except for the interposition and rightful recognition of this Honorable Court as herein prayed.

**Grounds and Gravamen of and for the Petition for Writ of Certiorari.**

1. This petition should be granted because the courts below misapplied the law laid down in *Kessler v. Eldred*, 206 U. S., 285, to the facts of the case at bar, and because there seems to be a conflict of opinion between the Circuit Court of Appeals for the 6th Circuit and the Circuit Court of Appeals for the 2nd Circuit, as to ex-

tending the principle announced in said case of *Kessler v. Eldred*.

2. This petition should be granted because the exact and precise subject matter contemplated by the petition, namely, the Grant Patent No. 554,675, dated February 18th, 1896, was on the 10th day of April, 1911, sustained as valid by this Honorable Court (220 U. S. ;Advance Sheets, May 15, 1911). That the injunction complained of herein restrains your petitioner from prosecuting a suit filed against one John Doherty, in the United States Circuit Court for the Southern District of New York, for infringement of said patent by the manufacture and sale of a rubber tire composed of channel iron, purchased by said Doherty of the Rutherford Rubber Company of New York City, the wires purchased by said Doherty of the B. F. Goodrich Company, and the rubber purchased of the respondents, the Goodyear Tire & Rubber Company, the said Doherty having mounted the elements on a vehicle wheel in violation of the said patent, and thereby enjoins your petitioner from prosecuting a suit against any customer of the Rutherford Rubber Company and the B. F. Goodrich Company, as well as the Goodyear Tire & Rubber Company.

3. This petition should be granted because the subject matter contemplated by the petition, namely, the Grant Patent No. 554,675, dated February 18, 1896, is for an improved rubber tire comprising the combination of rubber, channel iron and two independent retaining wires, and your petitioners are enjoined by the courts below from prosecuting a suit against John Doherty, who was sued for infringement based upon his acts of assembling the said elements of rubber, channel iron and wires, in the precise manner set forth and claimed in the patent, thereby making or manufacturing the improved rubber tire. That in May, 1902, when the decree was entered in the Sixth Circuit against your petitioners and in favor of said Goodyear Tire & Rubber Company, adjudging the said Grant patent invalid (being the case relied upon by

the Court below as a prior adjudication giving immunity to said Goodyear Company and its customers), said Goodyear Company was making and selling the entire article, but since the time of said decree the said Goodyear Company has changed its method of doing business by generally furnishing only one of the elements of the combination and the customer thereafter purchasing the other elements from other manufacturers. That the injunction order complained of herein gives to the decree in favor of respondent a greater breadth or scope than it is entitled to have.

4. This petition should be granted because the subject matter contemplated by the petition is the Grant Patent No. 554,675, dated February 18th, 1896, for improved rubber tires, and is the same patent that respondents, the Goodyear Tire & Rubber Company, by their license agreement with your petitioners, acknowledged to be valid, and that said respondent by its license agreement with your petitioner is estopped to deny the validity of the patent and that its rights under the decree relied upon by the Court below have been waived.

Accompanying this petition your petitioner presents a brief by the petitioner's counsel, setting forth more in detail the errors complained of and the reasons in support of this petition.

Wherefore, your petitioners pray that this Honorable Court will grant its writ of *certiorari*, directed to the Circuit Court of Appeals for the Sixth Circuit, requiring that the record of said cause in said Court be certified to this Honorable Court for its review and determination.

LAWRENCE MAXWELL,  
FREDERICK P. FISH,  
STALEY & BOWMAN,  
CHAS. W. STAPLETON,  
Counsel for Petitioners.

UNITED STATES OF AMERICA, } ss.  
State of New York and County of New York, }

VAN H. CARTMELL, being first duly sworn, states: That he is president of the above-named petitioner Consolidated Rubber Tire Company, and as such president has full knowledge of its business affairs and particular knowledge of the matters and things set forth in the above petition, and of the conduct and proceedings in the above-entitled action; that he has read the foregoing petition subscribed by him and knows the contents thereof, and that the facts stated therein are true except as stated on information and belief, and as to such statements he believes the same to be true.

VAN H. CARTMELL.

Subscribed and sworn to before me }  
this 26th day of May, A. D. 1911. }

CHAS. P. STEWART,  
Notary Public,  
New York County, No. 298.

I certify that in my opinion the above petition is well grounded in matter of law and proper to be heard.

CHAS. W. STAPLETON,  
Of Counsel for Petitioners.

## Supreme Court of the United States.

THE RUBBER TIRE WHEEL COMPANY  
and THE CONSOLIDATED RUBBER  
TIRE COMPANY,

Defendants-Petitioners,

vs.

THE GOODYEAR TIRE & RUBBER COM-  
PANY,

Complainant-Respondent.

Application for  
Writ of  
Certiorari.

### BRIEF FOR PETITIONERS.

(Defendants Below.)

#### Facts.

This is an application under Section 6 of the Circuit Court of Appeals Act, praying for the issuance of the writ of *certiorari* requiring the Circuit Court of Appeals for the Sixth Circuit to certify to this Court for review the case of the Rubber Tire Wheel Company *et al.*, Appellants, *vs.* The Goodyear Tire & Rubber Company, Appellee.

The suit was brought by the Goodyear Tire & Rubber Company, complainant below, on the 23rd day of August, 1907, against your petitioners in the United States Circuit Court in the Southern District of Ohio. The bill of complaint alleged the citizenship of the complainant and your petitioners, the defendants therein, and that said complainant had for a number of years been engaged in

the business of manufacturing and selling solid rubber tires; the bill then set forth the proceedings in a case brought by your petitioners against the Goodyear Company, for alleged infringement of Grant patent No. 554,675, wherein the United States Circuit Court of Appeals for the Sixth Circuit held said Grant patent 554,675 to be null and void and ordered your petitioners' bill against said Goodyear Company to be dismissed. The opinion of said Court of Appeals in said infringement case is reported 116 Fed. Rep., p. 363.

This Grant patent, 554,675, is the one recently sustained by this Honorable Court as valid in the case of The Rubber Tire Wheel Company *et al. vs. The Diamond Rubber Company.* (See Vol. 220, U. S. Advance Sheets, May 15.)

The bill further alleged that in June, 1907, your petitioners (defendants below) brought suit against the Banner Buggy Company in the Circuit Court of the United States for the Eastern District of Missouri for infringement of said Grant patent, and that said the Banner Buggy Company was, and at the time of filing of the bill, continued to be a customer of said Goodyear Company, and that said suit against the Banner Buggy Company was an unlawful interference with said Goodyear Company's business.

The prayer of the bill was that your petitioners be enjoined against bringing any suits against anyone in the United States for infringements of the Grant patent by the purchase, use or sale of any tires manufactured by the said Goodyear Company.

An order to show cause was issued on said 23rd day of August, 1907, requiring your petitioners to show cause why they should not be enjoined, *pendente lite*, from suing the customers of the Goodyear Company (Rec., 1). Subsequently your petitioners filed affidavits setting forth the fact to be that the Banner Buggy Company was not a customer of the Goodyear Company, and no further steps were taken by said Goodyear Company to enjoin

the prosecution of said suit against the Banner Buggy Company. (See Opinion C. C. A., Rec., 52, p. 61.)

In May, 1908, said Goodyear Company amended its bill of complaint, setting forth that your petitioners through their agent, one H. F. Manning, were interfering with the business of their customer, Alvarez & Company, of Havana, Cuba (Rec., 10).

Upon the filing of the amendment to said bill, your petitioners were restrained *pendente lite* from prosecuting their suit in Cuba against Alvarez & Co., but after the hearing of the motion for a preliminary injunction the Court (Justice Lurton sitting) denied the injunction and dissolved the restraining order previously granted on the ground that your petitioners were suing said Alvarez & Company for infringement of its Cuban patent, and that the United States Circuit Court was without jurisdiction in the premises (164 Fed. Rep., 869).

Thereafter, to wit, on the 9th day of September, 1908, said the Goodyear Tire & Rubber Co. filed in said Circuit Court an affidavit of F. A. Seiberling, president of the Goodyear Company, setting forth that your petitioners had sued one John Doherty, in the United States Circuit Court for the Southern District of New York, for infringement of the Grant patent, 554,675; that said Doherty was a customer of said Goodyear Company and had been a customer since December, 1907, and that the subject matter sold said Doherty by said the Goodyear Company consisted only of the rubber molded into form, said Doherty not having ever ordered of the Goodyear Company or received from it prior to the 9th day of September, 1908, any channel rims or wires, said Doherty having so far confined his orders to what was alleged to be the principal feature of the tire equipment, viz.: the molded rubber. The claims of the Grant patent are as follows:

"1. In a vehicle wheel having a metallic rim with angularly projecting flanges to form a channel or groove with tapered or inclined sides, a rubber

tire, the inner portion of which is adapted to fit in said groove or channel, and the outer portion having sides at an angle to the inner portion, the angle or corner between the outer and inner portions being located within the outer periphery of the flanges, and independent retaining wires passing entirely through the inner portions of said tire and also within the outer peripheries of the flanges substantially as described.

"2. A vehicle wheel having a metallic rim with outwardly projecting flanges at an angle to the plane of said wheel so as to form a channel or groove having tapered or inclined sides, a rubber tire, the inner portion of which is adapted to fit in said tapered groove or channel, and the outer or exposed portions formed at an angle thereto, the angle or corner between the said portions being placed within the outer periphery of said flanges, openings extending entirely through the unexposed portion of said tire, and independent retaining wires in said openings, and a reinforcing-strip of fibrous material placed at the bottom of said tire wholly within said flanges, substantially as specified."

Upon the filing of said affidavit, a restraining order immediately issued from the said Court restraining your petitioner from prosecuting said suit against John Doherty and from bringing or prosecuting any other suit or suits against any other customer or customers in the United States of said Goodyear Company (Rec., 27).

Thereafter affidavits were filed by the parties by which it was proved that the said John Doherty purchased rubber of the Goodyear Company, channel rims of the Rutherford Rubber Company of New York and wires of the B. F. Goodrich Company of New York, and that said Rutherford Company and Goodrich Company had acquired no rights under the Grant patent (Rec., 28 and 39), also that said Doherty was in the business of applying rubber tires at 300 W. 48th Street, New York, and that in the regular course of his business he did combine and apply the rubber, channel rim and wires, respectively bought

of the several and distinct parties as aforesaid, so as to mount a complete rubber tire upon the vehicle wheels of his customers.

Upon the hearing of the motion for a preliminary injunction, the cause was submitted upon said affidavits and the preliminary injunction thereafter issued, enjoining your petitioners from prosecuting the suit against said Doherty or bringing any suit against any customers of said Goodyear Company.

An appeal was taken to the United States Circuit Court of Appeals for the Sixth Circuit, and on the 6th day of December, 1910, said Court of Appeals affirmed the decree of the lower Court in so far as it enjoined your petitioners from prosecuting the suit against said Doherty, but held that a proper showing was not made to require a preliminary injunction as to acts alleged as to customers other than Doherty. Thereafter, pursuant to said decision, the preliminary injunction order was modified so as only to enjoin your petitioners from prosecuting said suit against said John Doherty.

In said case of *The Rubber Tire Wheel Company and ano. vs. The Diamond Rubber Company*, decided April 10th, 1911, by this Honorable Court and reported in Sup. Ct. Reports (Advance Sheets, Vol. 220, May 15th, 1911), there was considered the opinion and decision of the Circuit Court of Appeals for the Sixth Circuit, above referred to (116 Fed., 363), and which declared said patent invalid.

Subsequent to that decision of the Circuit Court of Appeals for the Sixth Circuit, holding said Grant patent invalid, said Goodyear Company entered into a license agreement with your petitioners in December, 1903, acknowledging the Grant patent as valid, your petitioners agreeing on their part to prosecute vigorously any and all infringers of said patent except such as were committed in the Sixth Circuit (Rec., 17 and 18). The license agreement contained a clause as follows (Rec., 18):

"III. It is hereby mutually agreed by and between the parties hereto that this license shall in

no way prejudice either of the parties hereto, but that the legal status of the parties existing prior to the execution of this agreement shall remain unaffected by this agreement in every respect."

The issue here presented, is therefore, whether your petitioners, the owners of a United States patent, admittedly valid by the decree of this Honorable Court, were properly enjoined by the Courts below from proceeding against one Doherty in the New York Courts for infringement of that valid patent,—an infringement which consisted in organizing the rubber molded in form, and channel iron and wires in such relations as to form a rubber tire wholly within the claims of the Grant patent.

### **Argument.**

The grounds set forth in the petition for writ of *ceteriorari* are that the Courts below have misapplied the law announced in the case of *Kessler vs. Eldred*, 206 U. S., 285, to the facts peculiar to the case at bar.

Not only has the doctrine first announced by this Honorable Court in the case of *Kessler vs. Eldred*, cited *supra*, raised serious and doubtful questions as to the effect of any prior adjudication of a patent, but as applied by the Court below to this case, has brought about a remarkable and almost absurd situation.

This Honorable Court took pains in deciding said case of *Kessler vs. Eldred*, to state that the decision was one of first impression.

The United State Circuit Court of Appeals for the Second Circuit considered this new doctrine in the following words (*Consolidated Rubber Tire Co. vs. Diamond Co.*, 157 Fed., 677, p. 679) :

"Kessler *v. Eldred*, as the Supreme Court itself remarked, was a case of novel impression, and in deciding it that Court carefully confined the decision to the single point that the original judgment was conclusive upon the original parties to it. \* \* \*

"It would seem that inferior Courts should be

cautious about extending the principle enunciated in that case beyond the limits within which it was there applied.

"The opinion opens up a new subject in patent law practice, and it is desirable, no doubt, that an early expression of opinion by the Supreme Court should be secured upon a record which will present its broader aspects, but we do not think it wise to certify the questions to that tribunal upon this record."

The questions raised here give this Honorable Court an opportunity to consider to what limits the Courts may carry that principle set forth in the Kessler case.

The Courts below relied solely upon the said Kessler case as authority for extending a principle that brings great hardship upon your petitioners, while your petitioners in the Court below contended that the doctrine should not extend to the facts as established herein.

The facts in this case are entirely distinct and different from the facts in the case of *Kessler v. Eldred*.

In the case at bar, the said Grant patent covers a vehicle wheel having built upon it in a special way rubber, channel iron and wires, and the claims have been construed by this Honorable Court to be narrow claims limited substantially to the precise relative arrangement of rubber, channel iron and wires, the fact being that the precise or specific arrangement of rubber, channel iron and wires shown and described in the patent is essential in order to make a practical and successful rubber tire for horse-drawn vehicle use.

The fact cannot be disputed successfully that said Grant patent is for a combination of elements organized in a specific way, and the real invention as covered by the claims is not practiced nor infringed until the three material elements are organized as and put into the relations required by the patent.

The suit brought by your petitioners against said John Doherty, as to which the further prosecution has been enjoined by the erroneous decree complained of herein, was based on the infringement of said Grant

patent by the making and selling vehicle wheels having rubber, channel iron and wires mounted thereon by said Doherty at his regular place of business in the City of New York, in exact compliance with the instructions of the Grant patent, having the rubber, channel iron and wires arranged in the specific manner designated in each of the two claims of the patent, and therefore in violation of the definite terms of the patent (Rec., 52).

Manifestly, this is a different case from *Kessler v. Eldred*, 206 U. S., 285, where the patent related to an article of manufacture known as a cigar lighter and where the customers purchased the *complete* article already put together for use by the manufacturer.

Indeed the only ground upon which the injunction order of the Court below was affirmed by the United States Circuit Court of Appeals for the Sixth Circuit, was that John Doherty had purchased rubber of the said Goodyear Company, being to that extent a customer of Goodyear Company, and that therefore your petitioners' suit against said Doherty was an improper interference with the business of said Goodyear Company; that the Goodyear Company having obtained a decree in its favor holding said Grant patent to be invalid, necessarily must be held to be free to sell to whomsoever it pleased and whatever part of a rubber tire it pleased, thereby giving immunity to the world at large to make and sell in infringement of the Grant patent and in violation of your petitioners' right without any liability whatever.

This appears clearly from the opinion of said United States Circuit Court of Appeals for the Sixth Circuit. They say on this point (Rec., 52) :

"The point of departure from the concessions of counsel as well as their insistence, is that the protection of the former judgment cannot be invoked respecting sales of one or less than the whole of the elements covered by the combination. As it seems to us, counsel refuse to accord due effect to the main feature of the bill. It is injury to appellee's business, through interference with its customers, that is made the subject of complaint."

Again the Court says:

"In *Kessler v. Eldred*, 206 U. S., 285, the right of a holder of one patent who had failed in a suit for infringement against the holder of another patent, to maintain an action against a customer of the latter for using one of the latter's patented devices, was passed upon; and one of the controlling features of the decision is that such a suit if not enforced would in violation of the previous judgment interfere with the business of the successful party in the original infringement suit.

"Counsel for appellants earnestly endeavor to distinguish that case, on the ground, that the customer was there using the entire patented device. They place stress upon the following language of Mr. Justice Moody, who announced the opinion of the Court (288) :

'Whether the judgment between Kessler and Eldred is a bar to the suit of Eldred *v. Breitwieser* (the customer of Kessler and user of his device) either because Breitwieser was a privy to the original judgment or because the articles themselves were by that judgment freed from the control of that patent, we deem it unnecessary to inquire. We need not stop to consider whether the judgment in the case of Eldred *v. Kessler* had any other effect than to fix unalterably the rights and duties of the immediate parties to it, for the reason that only the rights and duties of those parties are necessarily in question here. It may be that the judgment in *Kessler v. Eldred* will not afford Breitwieser, a customer of Kessler, a defense to Eldred's suit against him. Upon that question we express no opinion. Neither it nor the case in which it is raised are before us.'

"It would seem also that questions of the character there stated are not before this Court, and for the same obvious reasons. But it is difficult to perceive why the absence of such questions renders the decision inapplicable to the present case; nor are we able to understand why the principles announced in that decision are not in point here. It is plain that Kessler did not gain any more freedom through the result of Eldred's infringement suit to manufacture and sell the Kessler device, than the Goodyear Com-

pany acquired respecting the Grant device in its original suit with the present appellants. Can it be that such freedom as to the whole device does not include its parts as well separately as collectively? Why, as between the parties to the present suit, did not the former judgment operate to remove the ban of the Grant patent from each of its elements, and also to destroy all right to the combination of those elements? It was found in the opinion declaring the invalidity of the Grant patent that its parts, as also the result accomplished by the combination, were alike old in the art (116 Fed., pp. 369, 371)."

The erroneous character of this reasoning, as appears to your petitioners, is sufficiently shown by the fact that it omits from consideration entirely the rights of your petitioners against the customers of the Rutherford Company and the B. F. Goodrich Company. The shopman, John Doherty, was as much a customer of the Rutherford Company as he was of the Goodyear Tire & Rubber Company, and the injunction order of the Court below in effect enjoins your petitioners from pursuing its rights against the Goodrich Company and the Rutherford Company.

This puts within the power of said Goodyear Company the nullifying of the decision of this Honorable Court in the Diamond case; for if the Goodyear Company can license a customer by selling merely the rubber molded to form, it can assuredly license its customer by selling or supplying it with channel iron or supplying it with wire, and if said Goodyear Company can license John Doherty in that manner, it can license any rubber company in the same manner and may particularly license the Diamond Rubber Company, against which this Honorable Court has decreed the patent to be valid, by merely supplying wires.

There was no dispute as to the facts in this case. F. A. Sieberling, president of the Goodyear Company, testified (Rec., 25)

"that the rubber tires so far sold by this company to said Doherty consisted of the tires proper, that

is to say, the rubber tires themselves, said Doherty not having as yet ordered from this company any channel iron or wires to be sent to him by or through this company, having so far confined his orders to the principal feature of the tire equipment, namely, the rubber tires themselves."

No such doctrine was announced in *Kessler v. Eldred*. In fact, this Honorable Court emphasized the distinguishing fact that there were no other rights of any kind involved in that case, other than the right of Kessler, who had a prior adjudication in his favor, and his customer, Breitwieser, who had purchased the complete article from Kessler.

The most conclusive argument against the correctness of the holding of the Courts below is that your petitioners are held estopped from interfering in any way with any customer of the Goodyear Company, though he may have purchased merely wires of said Goodyear Company, while had the prior adjudication been *in favor* of your petitioners and against said Goodyear Company, it would not be *res adjudicata* so as to estop its customers in any respect whatever.

Had your petitioners obtained a decree sustaining the Grant patent against said Goodyear Company, that decree would not have operated as an adjudication against John Doherty nor any other customer of said Goodyear Company in any cause thereafter brought against him for infringement of said Grant patent. Would he not be free to prove the invalidity of the Grant patent, notwithstanding the fact that said Grant patent had been held valid in a prior suit brought against his vendor, the Goodyear Company?

*Birdsall v. Shaliol*, 112 U. S., 485.

It will be observed that the Circuit Court of Appeals relies solely upon the case of *Kessler v. Eldred*, 206 U. S., 285, as establishing the correctness of the injunction order complained of.

Yet this Honorable Court stated that the case of *Kessler v. Eldred* was one of first impressions, there being

no prior decision on the question presented in that case, and the Circuit Court of Appeals for the Second Circuit has held that the principle should be cautiously extended.

It is noteworthy that the Court of Appeals for the Sixth Circuit in its decision holds that it is immaterial where the rubber element is manufactured or where sold by said Goodyear Company. Obviously if the Goodyear Co. can give immunity to one company or individual, it can give immunity to all companies and individuals throughout the United States and its territories.

It matters not whether the Goodyear Company be located at San Francisco or Hoboken. Having obtained an erroneous decree in its favor, can destroy all the rights of your petitioners under a patent held valid by this Honorable Court by passing immunity to manufacturers, dealers and agents by merely shipping or supplying any elements of the combination—wires, steel channel, or the rubber section.

Again, the injunction order of the Court below applied in its final analysis, must necessarily mean that the Goodyear Company can sell wires to the Diamond Rubber Company, a manufacturer of rubber and against whom this Court has adjudged the patent valid, thereby making the Diamond Rubber Company its customer, and that the Diamond Company can then manufacture the rubber and the channel iron and put the article together in violation of the Grant patent, ignoring your petitioners and the decree of this Court against it, and further that your petitioners can be enjoined from prosecuting suit against the Diamond Company. It seems to be absolutely immaterial whether the Goodyear Company sold the rubber, or wires or the channel iron to its customer; for it is well established that in a combination no one element can be treated as more material than any other element. Therefore, if the customer Doherty has immunity by reason of his purchase of rubber from the Goodyear Company he would likewise have immunity had he purchased wires only of the Goodyear Company. Thus, the confusion of the situation becomes ludicrously apparent.

**Conclusion.**

Without attempting to go into all matters in the record that would bear out and confirm our statements and propositions here advanced, we respectfully submit that it would be in accordance with justice and within the Acts of Congress for this Honorable Court to grant this petition and give your petitioners an opportunity to have a final day in court in order to determine the right or wrong of the subject matter involved herein, believing that by such opportunity your petitioners will demonstrate to your Honors the unqualified hardship and injustice that has been done your petitioners and will follow therefore without redress by refusing to grant this petition.

Respectfully submitted,

LAWRENCE MAXWELL,  
FREDERICK P. FISH,  
STALEY & BOWMAN,  
CHAS. W. STAPLETON,  
Counsel for Petitioners.



4

Office Supreme Court, U. S.  
FILED.

OCT 5 1911

JAMES H. MCKENNEY,  
CLERK.

# SUPREME COURT OF THE UNITED STATES

THE RUBBER TIRE WHEEL COMPANY  
AND CONSOLIDATED RUBBER TIRE  
COMPANY,

*Defendants—Petitioners,*

VS.

THE GOODYEAR TIRE AND RUBBER  
COMPANY,

*Complainant—Respondent.*

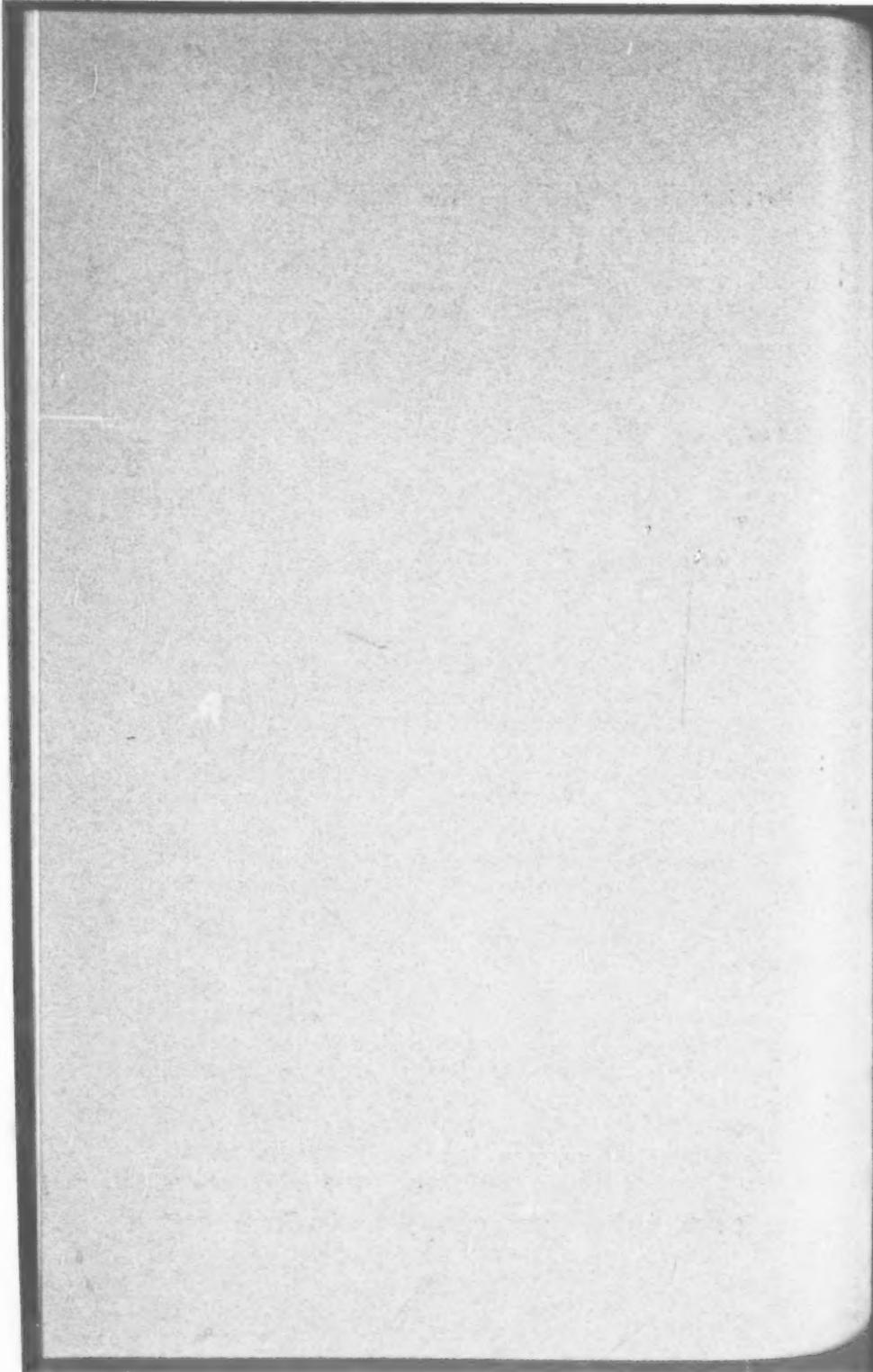
No. 888,811 37

October Term,  
1911.

## Argument in Opposition to Defendants' Petition for Writ of Certiorari

H. A. TOULMIN,  
*Counsel for Respondent.*

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# SUPREME COURT OF THE UNITED STATES.

THE RUBBER TIRE WHEEL COMPANY  
AND CONSOLIDATED RUBBER TIRE  
COMPANY,

*Defendants=Petitioners,*

vs.

THE GOODYEAR TIRE AND RUBBER  
COMPANY,

*Complainant=Respondent.*

October Term,  
1911.

## BRIEF FOR RESPONDENT.

Never, perhaps, in its life has the nation needed the time and labors of this Court more than in the pressing present. The docket is heavy and the matters awaiting determination are weighty. The strength of the judges should be conserved—not taxed. Yet the petitioners are here pressing a narrow, personal claim of no general public moment; a claim, too, which in its controlling legal aspects has already been determined by this Court in *Kessler v. Eldred*, 206 U. S., 285, in such plain terms that "he who runs may read"; and which in its relations to petitioners themselves has been twice decided against them by the regular courts appointed by law—the Circuit Court (Record, p. 40), and the Circuit Court of Appeals, 183 F. 978.

1. The simple question now presented (and so already decided in *Kessler v. Eldred*) is whether the petitioners shall be allowed to continue to interfere with the trade of the respondents by suing their customers all over the country in vexatious law suits, notwithstanding the fact that over nine years ago a final decree was rendered by the Circuit Court of Appeals for the Sixth Circuit,\* holding absolutely void, as between these

\* And which decree and judgment this Court has twice refused to review by certiorari. 187 U. S. 641 and 214 U. S. 512.

parties, the patent on which it is sought at this late day to base these new suits against customers of respondent who buy from respondent the same identical solid rubber tires involved in that original litigation.

This Court certainly settled that question in *Kessler v. Eldred*. And the two lower courts simply so held, applied that controlling case to this one, and decided against the petitioners, restraining them from suing a certain customer, and so further interfering with the trade of respondent; thus preventing the destruction of respondent's business and the nullification of that final judgment of nine years ago—May, 1902. And there was no honest merit in the suit brought by the petitioners against respondent's said customer, John Doherty, the prosecution of which has been enjoined by the action now sought to be brought here for review, for such suit was founded upon the offense of collusion, instigated by the petitioners.

2. COLLUSION. As his Honor, Judge Sater, says in his enlightening opinion, in speaking of the facts showing how the petitioners procured the material on which to bring that suit, the "evidence is undisputed." Petitioners, realizing that they could not escape an injunction under the decision in *Kessler v. Eldred*, if they simply sued a Goodyear customer for selling Goodyear tires, sought to make up a special set of facts so as afterwards to argue that the facts were different from those in the *Kessler v. Eldred* case. So they procured Doherty for pay, \$20 (not thirty shekels of silver), to buy the rubber *per se* (the main article and that manufactured by respondent) from the Goodyear company; the wire from some other house, and the channel iron from still another. Judge Sater made this finding of these facts, and the Court of Appeals adopted (183 F. 979) the finding, so that both agree on what took place at the instance of the petitioners. Judge Sater says:

"Doherty is a small dealer, of small means, and has been a customer of the complainant since December, 1907. The affidavit shows him to have stated that some persons unknown to him, desiring to equip a carriage wheel with a rubber tire, directed that the tire must be of the complainant's manufacture, and Doherty thereupon purchased such a tire. Thereafter, Roberts, New York manager of the Consolidated Rubber Tire Company, before the fitting of a rubber to the wheel, directed him to buy the necessary wiring and steel channel of some one other than the complainant or any of its agents or branch houses. He thereupon purchased the wire of B. F. Goodrich, and the steel channel of the Rutherford Rubber Company. He says he was further directed by Roberts to mark the wheel to which he applied the tire so he could identify it, and to send his bill for services rendered to the company of which Roberts was the New York manager. Doherty did this and credit was given him on his account by such company. The evidence is undisputed that Doherty purchased his materials as above stated and fitted them to the carriage wheel. The statements attributed to him are not denied."

Then Judge Warrington, speaking for the Court of Appeals, says:

"Doherty has admittedly been a customer of appellee in the purchase of rubber tires since 1907; and the facts that he purchased a solid rubber tire of appellee and placed it on a wheel and received his pay from one of the appellants as found by the court below are not open to the charge of hearsay and are not disputed." (183 F. 978, 980.)

From these findings of the undisputed facts it is seen that petitioners first "made" a case, and then sued the man—"a small dealer of small means"—whom they paid to help make it—all to try and have a case they

could argue, was different in its "facts" from *Kessler v. Eldred*, hoping thus to establish a precedent under which they could sue our customers indiscriminately, and thus escape the injunction they could foresee would otherwise be granted us under the ruling of this Court as announced in *Kessler v. Eldred*, and as then already foreshadowed in the decision herein of Mr. Justice Lurton, made shortly before his elevation to this Court lost his great services and sincerely admired personality to our own Sixth Circuit. In ruling on a motion herein by us respecting a suit petitioners were then prosecuting against one of the Goodyear Cuban customers, Judge Lurton, speaking the broad principle of our right to enjoin the petitioners from suing our customers, said:

"This court, as a court of equity, having jurisdiction over the persons of the defendants, may control them, by decree in personam, from doing any act within or without the jurisdiction, at home or abroad, by bringing suit or otherwise, which shall be an interference with the right of the complainant to prosecute its business without interference with the defendants by virtue of the Grant patent. *Cole v. Cunningham*, 133 U. S. 107, 10 Sup. Ct. 269, 33 L. Ed. 538; *Penn v. Lord Baltimore*, 1 Vesey, Sr. 444; *Portarlington v. Selby*, 3 Mylne & K. 104, 106; Story, Eq. Jur. Secs. 899, 900." (164 F. 869, 871.)

And Judge Lurton further aptly said:

"That the defendants in this suit are bound by the final judgment in the former suit is not controverted. One effect of that judgment is that, whether that decision was right or wrong, the Goodyear Company is entitled to make and sell rubber tires free from all interference from the defendant companies by virtue of the Grant patent. Another is that defendants, as the defeated parties in that suit, may be enjoined or restrained from interfering

with the business of the successful party by bringing suits based on the same patent against customers of the latter. *Kessler v. Eldred*, 206 U. S. 285, 27 Sup. Ct. 611, 51 L. Ed. 1065." (Ib. 871.)

Thus the motive of petitioners to "arrange" a case with Doherty is apparent. But they are within the condemnation of parties who collude, as pronounced by this Court in—

- Lord v. Veazie*, 8 How. 251.
- Wood Paper Co. v. Heft*, 8 Wall. 333, 336.
- Gardner v. Goodyear Dental Vulcanite Co.*,  
131 U. S. 103, or CIII Appendix.
- East Tenn. V. & G. R. Co. v. Southern Tel. Co.*,  
125 U. S. 695.
- South Spring Hill Gold Min. Co. v. Amador  
Medean Gold Min. Co.*, 145 U. S. 300.
- Mills v. Green*, 159 U. S. 651, 654.
- Western Electric Co. v. Anthracite Tel. Co.*,  
100 F. 301, 303.
- Middlings Purifier Co. v. Christian*, 4 Dillon  
448, 455.
- Barker v. Todd*, 15 F. 265.
- Cleveland v. Chamberlain*, 1 Black 419.
- Marden v. Campbell, Etc., Mfg. Co.*, 79 F. 582  
(C. C. A.).
- Hayes v. Leton*, 5 F. 521.
- De Ver Warner v. Bassett*, 7 F. 468.
- Adams v. Woolsey*, 54 F. 268. (8th C. C. A.)
- Little v. Bowers*, 134 U. S. 547.
- Benner v. Hayes*, 80 F. 953. (7th C. C. A.)

The statements in their petition and brief must be viewed in the light of the "undisputed evidence" referred to by Judge Sater.

3. STATUS OF THIS CASE IN LOWER COURTS.  
The rulings of the Circuit and Appellate courts, on which this certiorari petition is based, are not final judgments made on proofs regularly adduced by the

examination and cross-examination of witnesses, but are merely *interlocutory orders* made on motion supported by *ex parte* affidavits. What all the ultimate facts may show, and what may be the ultimate scope of the final judgments of both of the lower courts, neither ourselves nor this Court can now know. Indeed, *this case is no longer pending in the Court of Appeals, but is back to the Circuit Court and is pending there awaiting the taking of evidence and final hearing thereon.* So it seems to us this petition is premature, and this Court should not be asked to review interlocutory orders. *Chicago v. Osborne*, 146 U. S. 354; *American v. Jacksonville*, 148 U. S. 372.

**4. PETITIONERS AND THE FACTS THEY MADE UP THROUGH DOHERTY.** All through their petition and brief, their every essential contention revolves around Doherty having purchased the particular wire and channel iron from parties other than respondents, and this they urge by a sort of inferential argument as ground for nullifying the effect of the final decree of May, 1902, declaring the patent void *as between* these petitioners and respondents (and which decree, on that record, this Court has twice refused to review on certiorari, the last time *after* the Diamond case had, on its record, been ordered up here). But as that decree, on that record, between these parties, left no part of the claims of the patent valid, then it is immaterial, as to respondent's "right to be let alone" (*Kessler v. Eldred*), whether Doherty bought the particular wire and channel, or only the more important part, the rubber, from respondent, because in any case the ultimate effect of suing Doherty is the same, namely, to stop Doherty from buying rubber from the respondent, thus setting up a destructive interference with respondent's rubber tire business, contrary to the law as laid down in *Kessler v. Eldred*, and followed faithfully by the learned courts below.

Respecting these contentions, the Circuit Court in its opinion said:

"The Appellate Court of this circuit having declared the Grant patent void, each and every claim and each and every element of every claim set forth in it must be regarded as conferring no right whatever on the defendants, or either of them, as against the complainant. The Grant letters are not, in consequence of such decree, susceptible of infringement by the complainant, by its device, or by any part or parcel thereof. As against the defendants, the complainant may use its tire, or any part thereof, in such manner as it chooses, because they have no right under the Grant patent which complainant may not freely exercise. The court's decree was a withdrawal from defendants, as against complainant, of all protection and exclusive rights claimed by them under that patent, and unalterably fixed the rights of the parties to this, as well as to that suit.

"Have the defendants, by bringing suit against one of complainant's customers, violated its rights? If they may maintain one suit, they may maintain others, and thus by harassing complainant's customers, diminish its sales, as no one will care to buy complainant's device, or any part of it, if in so doing he buys a lawsuit. The complainant's right is that its customers shall not be disturbed. Its right to use its device as an entirety, or the elements thereof singly, without molestation, would be of little value if its customers may not enjoy the same privilege. If the complainant may vend, or use, the whole or any part of its patented device, as it may do so as against the void patent, regardless of any claims asserted by defendants, it would seem logically to follow that the defendants may be enjoined from interfering with the business of the complainant by bringing suit based on such void patent against complainant's customers, whether the business conducted with those customers is the vending to them of the whole of the pat-

ented tire, or some one or more of the elements which enter into it. *Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co.*, 164 Fed. Rep., 869. The rights of the parties, as fixed by final judgment of the Appellate Court of this Circuit, must be recognized by them in every way whenever that judgment is entitled to respect. Having the right to vend its product as an entirely, or in parts, without hindrance from defendants, it is not required to sit idly by witnessing the destruction of its trade with no recourse save an action for damages. Whether the complainant has sold this or that element of the device described in its letters patent with the intent and purpose that such element should be used in combination with other elements covered by the Grant patent, is immaterial, because as against the complainant there is no Grant patent."

This reasoning would seem to be unanswerable; it is focused alike upon the finality of a final decree, and the right under *Kessler v. Eldred* not to be interfered with in one's business by parties bound by such decree. The Court of Appeals expressed the same conclusion, saying:

"In *Kessler v. Eldred*, 206 U. S. 285, 27 Sup. Ct. 611, 51 L. Ed. 1065, the right of a holder of one patent, who had failed in a suit for infringement against the holder of another patent, to maintain an action against a customer of the latter for using one of the latter's patented devices, was passed upon; and one of the controlling features of the decision is that such a suit, if not enjoined, would, in violation of the previous judgment, interfere with the business of the successful party in the original infringement.

"It appears that the appellee in fact both before and at the date of the Grant patent conducted the business, and that it has ever since then main-

tained the business, of manufacturing and selling rubber tires. Manifestly that business, irrespective of the wire and rim trade, must be impaired if the appellants are to be allowed to prosecute suits against appellee's customers for rubber tires.

" . . . The present appellee's right as against appellants to make and sell solid rubber tires, metal rims, and wire was adjudged to be unaffected by the Grant patent because it was invalid and void. The inevitable effect of the final adjudication, as between these parties, was, we think, to restore appellee to the same rights respecting the sale of its tires that it would have possessed had the Grant patent never been issued. To say anything less than this—to say that appellee may sell all the elements of the Grant patent as an entirety but may not sell them separately—is to deny to appellee in regard to a void patent a privilege equivalent to that accorded to a licensee under a valid patent to use less than the whole of the patented device (*Young v. Foerster*, [C. C.], 37 Fed. 203, 204), or to a purchaser of a valid patented device to use as part of it an unpatentable article (*Morgan Envelope Co. v. Albany Paper Co.*, 152 U. S. 425, 433, 14 Sup. Ct. 627, 38 L. Ed. 500). It follows that appellee's right as against appellants to make sales of any or all of the articles comprised in the Grant patent is at last referable to that principle which recognizes an absolute power in every man to dispose of his own property. The sanction then of any result of the former judgment which necessarily hampers and injures the successful party to the suit in the prosecution of its business would be at once illogical and unjust.

"The effort made to escape through the decisions of *Aspden v. Nixon*, 4 How. 467, 11 L. Ed. 1059, and *Birdsell v. Shaliol*, 112 U. S. 485, 5 Sup. Ct. 244, 28 L. Ed. 768, cannot be sustained. Those cases are not analogous. It is manifest that the

elements of the Grant patent and the rights of the parties in respect of each of those elements, as well as the combination, were involved in the issues of the original case in the sense that they were heard and adjudged on their merits; and consequently the subject matter of the former suit and judgment must in accordance with familiar principles be held to have included the subject matter of this suit." (188 F. 978, 982, 983, 984.)

And back of these sound conclusions were the observations of Justice Lurton, quoted above, and interpreting *Kessler v. Eldred*, in the light of much earlier decisions of this Court, which he cites. So we submit that there has been no error made in these interlocutory orders on which this petition is based and prematurely presented, as we believe.

5. ERRORS OF FACT AND FALLACIES OF ARGUMENT IN PETITION AND BRIEF. (Petition, p. 5.) It is said "there seems to be a conflict of opinion" between the Court of Appeals for the Sixth and Second Circuits "as to extending the principle announced in said case of *Kessler v. Eldred*." Yet this point is not directly made or urged in their brief, p. 6. But we perceive no conflict between the rulings of those two courts. In the Second Circuit, the court said, "Inferior courts should be cautious about extending the principle enunciated in that case (*Kessler v. Eldred*) beyond the limits within which it was there applied"; while in the Sixth Circuit, both the lower and upper courts simply applied the doctrine of *Kessler v. Eldred* to a case precisely the same in principle as was the Kessler case. The doctrine was not "extended." It was simply applied and obeyed. When Mr. Justice Lurton wrote the well-considered passages we have quoted above, he did not regard it as "extending" the doctrine of the Eldred decision to enjoin the prosecution of suits brought against customers of manufacturers who held final judgments against the patentees suing such customers. And that was and is

the kind of case involved herein, and to which the Circuit Court and Court of Appeals straightforth applied such doctrine.

But the Court of Appeals in the Second Circuit was not passing on a bill by a manufacturer to enjoin a defeated patentee from interfering with his business and trade by suing his customers. Hence to have applied the doctrine of *Kessler v. Eldred* to that case would have involved the court in an extension of such doctrine. The bills and facts in this Diamond case were wholly unlike the bills and facts in *Kessler v. Eldred*, while the reverse is true as between the case at bar and the Kessler case, for in these two causes the averments, purposes, and prayers of the bills are precisely parallel. Indeed the bill in our case was drawn from and patterned after the Kessler bill itself. And it will be noted that the opinions of Judge Sater and Judge Warrington would substantially fit the Kessler-Eldred case, except that in the one the decree declared the patent void, while in the other it declared the patent unfringed.

So we perceive nothing to support the suggestion of conflict in the two Circuits.

PETITION, p. 6. Here suggestion is made that the injunctional order herein extends to enjoining petitioners from suing any customer of the Rutherford Rubber Company or the Goodrich Company. But that is a perversion of such order. If petitioners think that the Rutherford Company or the Goodrich Company is injuring them in selling the common commodities of wire and channel iron to Doherty or anybody else, they need not sue Goodyear customers who happen to buy wire or channel from these parties (especially Doherty, as he did so at their own request and instigation), but they can shorten their route and remedy very much by simply seeking to enjoin these outside companies from dealing in wire and channel iron for rubber tire purposes. So if they really have a grievance of that kind, and are not merely so arguing for effect, as we

suspect they are, then let them pursue such wire and channel furnishers as the source of their alleged injury, and not molest the customers of the Goodyear Company. As this same attempted point runs through their brief as a sort of stock argument, the observations just made are submitted as disposing of that plea, which we cannot regard as other than specious.

PETITION, p. 7. There suggestion is made that the Goodyear Company has changed from selling the tire complete—rubber, channel, and wire—to the rubber alone. But their statement is misleading. The sworn bill herein states the tires Doherty has been buying “are the same, or substantially the same, as your orator’s tires involved in said former suit when said alleged patent was adjudicated to be void.” (Rec., middle of page 5, paragraph 5.)

As to this matter, the Court of Appeals said:

“It is manifest that the elements of the Grant patent and the rights of the parties in respect of each of those elements, as well as the combination, were involved in the issues of the original case in the sense that they were heard and adjudged on their merits; and consequently the subject-matter of the former suit and judgment must in accordance with familiar principles be held to have included the subject-matter of this suit.” 183 F. 978, 983 (bottom), 984 (top).

PETITION, p. 7, AND BRIEF, p. 5. Here reference is made to an old license contract. The contract related to a temporary license such manufacturers and complainant took for one year, August, 1903, to August, 1904. Apparently this is brought forward to try and show some waiver on the part of the appellee of its rights under the decree of May 6, 1902. But the agreement specifically avoids any such consequences, if such consequences could be said to follow from it (which clearly it could not), by, in direct terms, reserving all legal rights and the then legal status of all the parties.

And touching this, the Court of Appeals says:

"In respect to the license agreement, it is sufficient to say that it was entered into expressly without prejudice to the rights of any of the parties in August, 1903, for one year, and was neither renewed nor observed thereafter. If the agreement was not invalid on its face, which we do not decide, we are unable to see how anything done in pursuance of it could as claimed estop appellee from insisting upon the observance of the right adjudged in its favor in the former suit." (183 F. 984.)

BRIEF, p. 2. Here it says the Grant patent was sustained in the Diamond case (220 U. S. 428.) But that matter is not an issue here; the decree on which respondent's rights rest was rendered some nine years before the Diamond case reached this Court; and certiorari petitions to review that decree were twice denied before such Diamond decision was made on the patent; the facts in the Goodyear and Diamond cases were different, while the Goodyear Company was also in nowise connected with the Diamond case. So all reference to the subsequent fate of the patent would seem to be outside of what is *now* before the Court.

Reference is also made (same p. of brief) to alleged affidavits filed by petitioners to the effect that the Banner Buggy Company was not a customer of respondent. The statement is wrong and the affidavits *are not in the record*. But petitioners' answer is in the record (p. 28) and the statement was that they did not sue the Banner Company "as customers of complainant herein," or for "any rubber tire manufactured and sold by complainant." (4th paragraph, p. 29.) That was why no further steps were then taken. So the present brief and the former answer of petitioners do not agree on this point.

BRIEF, p. 6. Suggestion is made of the nature of Doherty's alleged infringing act. It is said to have consisted "in organizing" the parts—not in selling a

product. But there is no process claim in the patent or claim for the act of "organizing"; and if there were, whatever Doherty did he did at the request and direction of petitioners, and they paid him \$20 for doing it. Moreover, Doherty's acts are not here for review, but only the conduct of petitioners and their efforts to stifle respondent's trade in derogation of the old decree of May, 1902.

BRIEF, p. 6. Here it is said the lower courts misapplied the law as given in *Kessler v. Eldred* to the facts peculiar to this case. The special peculiarity disclosed in this record grows out of the collusive transactions pointed out *supra*. A feature of those transactions is that Doherty bought, at the petitioners' request, wire from one party and channel iron from another. But the record also shows that Doherty bought wire, too, from respondent. Affidavit and bill of sale by Mr. Measure. (Rec., 37, 38.)

BRIEF, p. 7. It is said this petition gives this Court the opportunity to consider to what limits courts may carry the principle of the Kessler case. But must this Court *twice* decide a thing to settle it?

It is also said that the facts herein and in the Kessler suit are different. But they differ only as shades and not as colors; and do not differ in effect, or as affecting the Goodyear Company precisely as Kessler was affected. All through their argument, petitioners' counsel ignore or avoid the one central, common fact—in trade brought about in precisely the same way in each case—namely, the act of the defeated party in the former suit suing the customers of the successful party in disregard of the rights finally adjudicated by the original decree. We perceive no difference in principle between our case and the Kessler case, and the two learned courts below, like Judge Lurton in the quoted portions of his opinion, *supra*, took the same view and so held. It is of no consequence that in *Kessler v. Eldred* the customer received the article ready for use, while in the case at bar the customer receives one or more of the parts ready to put together, because in either transaction the manufac-

turer who had formerly defeated the patent sells to his customer, and it is this right to sell that is to be protected; and it is protected in both cases by exactly the same procedure—an injunction restraining the holders of the patent from interfering with this commercial transaction after they can no longer sue the manufacturing seller. Or, as well said in Judge Warrington's opinion written for the Circuit Court of Appeals:

"As it seems to us, counsel refuse to accord due effect to the main feature of the bill. It is injury to appellee's business, through interference with its customers, that is made the subject of complaint."

Again, in opposing our motion, as well as on appeal, petitioners conceded our right to the injunction if only all three of the parts of the tire were bought from us. This is what Judge Warrington refers to by "the concessions of counsel," in the paragraph of the opinion from which we have just quoted. They now, and then also, ignored the fact that Doherty had also bought wire from respondent before the record was closed on the motion. This brings us to again say, incidentally in this connection, that the petition is here *before the final case has been made* by the parties.

It was urged on the Circuit Court of Appeals, as now urged here, that the Kessler case is to be distinguished from this one, but the court said "Nor are we able to understand why the principles announced in that decision are not in point here." "It is plain," says the opinion—plain, not uncertain, "that Kessler did not gain any more freedom through the result of Eldred's infringement suit to manufacture and sell the Kessler device, than the Goodyear Company acquired respecting the Grant device in its original suit with the present appellants. Can it be that such freedom as to the whole device does not include its parts as well separately as collectively? Why, as between the parties to the present suit, did not the former judgment operate to remove the

ban of the Grant patent from each of its elements, and also to destroy all right to the combination of those elements." (183 F. 982.)

BRIEF, p. 10. Here again the statement is made that the injunction herein in effect enjoins petitioners from pursuing the Rutherford Company and the Goodrich Company. Pursuing them for what? For selling the wire and channel to Doherty, whom they told to buy from them; for there is no claim or showing that Doherty ever bought any other wire or channel from these parties. This is mere sophistry. Certainly it is not argument to submit to this Court. Nor does the order prevent them from suing Rutherford and Goodrich. We have before alluded to this matter.

Going on in the same strain, the brief on the same page supposes a case of respondent trying to "license," as they say, the Diamond Company by "selling it wires." But it would seem time enough to decide such supposititious case when and *after* it has arisen and a record is presented. It is enough to say, if the matter is one of illustration, that the rights of the petitioners in their relations to the Diamond Company are already "unalterably" fixed and determined by the judgment of this Court in the Diamond suit, so that no act, real or supposed, of respondent, can undo those relations. The rights of petitioners and the Diamond Company are fixed by one decree—those of this respondent and the petitioners are fixed by another, different and much older decree, and there is no merit in ignoring the Diamond decree and offering an absurd and impossible application of the injunctive order herein.

BRIEF, p. 11. Here a question is advanced as to whether a customer of respondent would have been bound had the decree of May, 1902, been against and not for respondent. As said by this Court in the Kessler case, so we say of this case, the record herein does not present such a question, as the customer is not present making any claims—the whole matter being confined to the effect of the old decree between the parties to it. No

question of privity is presented or involved. But it is interesting to note that the Court of Appeals for the Ninth Circuit twice held, before the Kessler case ever arose, that as between a manufacturer and his customer the relation of privity existed as to articles the customer purchased from him. *Norton v. San Jose Fruit Packing Co.*, 79 F. 793, Circuit Court of Appeals, Ninth Circuit, 83 F. 512, and by Judge Kohlsaat in *Warren Featherbone Co. v. De Camp*, 154 F. 198, based on the earlier decision of Judge Drummond to that effect in *Lea v. Deakin*, 15 Fed. Cas. p. 95, No. 8, 154. And this relation exists between Doherty and the Goodyear Company because he is their customer.

BRIEF, p. 12. Here it goes so far as to say the decree of the Circuit Court of Appeals for the Sixth Circuit was "an erroneous decree." That is going further than this Court went in commenting on that decision in the Diamond opinion. But that decree was not erroneous, and no man has the right to say so on the record in the case. Two present members of this Court joined in the opinion, with third member, the Court being unanimous; and this Court has, as already observed, twice refused certiorari petitions to bring that judgment here for review. So counsel exhibit more temerity than accuracy or good taste in assuming to indict that decree as "erroneous." The opinion itself, by Mr. Justice Lurton, is one of the best stated and best worked-out patent opinions reported in the last decade; and if defendant's proof on the theory that the Grant tire tips in the channel iron and reseats itself had been what it should have been in the Diamond case, no different conclusion on that record would have resulted than resulted on the Goodyear record in the Court of Appeals for the Sixth Circuit. But the records were different.

In concluding, at p. 12, the brief offers an unreasonable interpretation of the rule as to material and immaterial elements of patent claims, or seems to purposely overlook the real conceded fact that these are *rubber manufacturing factories* and their product rubber com-

pounded for tire uses, and, therefore, and unavoidably, the main element of the tires so far as their actual business and all this litigation are concerned is, has always been and will continue to be the rubber *per se*. And no one need or can be misled by the petitioners' counsel's repeated reference to the common commodities of channel and wire. The opinions of the lower courts have merely referred to the right of the Goodyear Company to deal in one, either, or all of the elements of the tire to illustrate the rights acquired under the decree of May, 1902, but everybody knows full well that the rubber is the essential commercial thing dealt in, and it is useless now, as it was in the courts below, for petitioners to rant about wires and channels being, in this case, on an equal footing with the important and far most costly part, the rubber, and then to draw imaginary cases based on rubber companies selling merely wire or channel iron, without mills to make either.

Brief, p. 13, asks for a "final day" in court on these issues. But it is difficult to see how a "final day" is to be had on an interlocutory ruling, with the final hearing yet to be had in the Circuit Court and yet in the Court of Appeals.

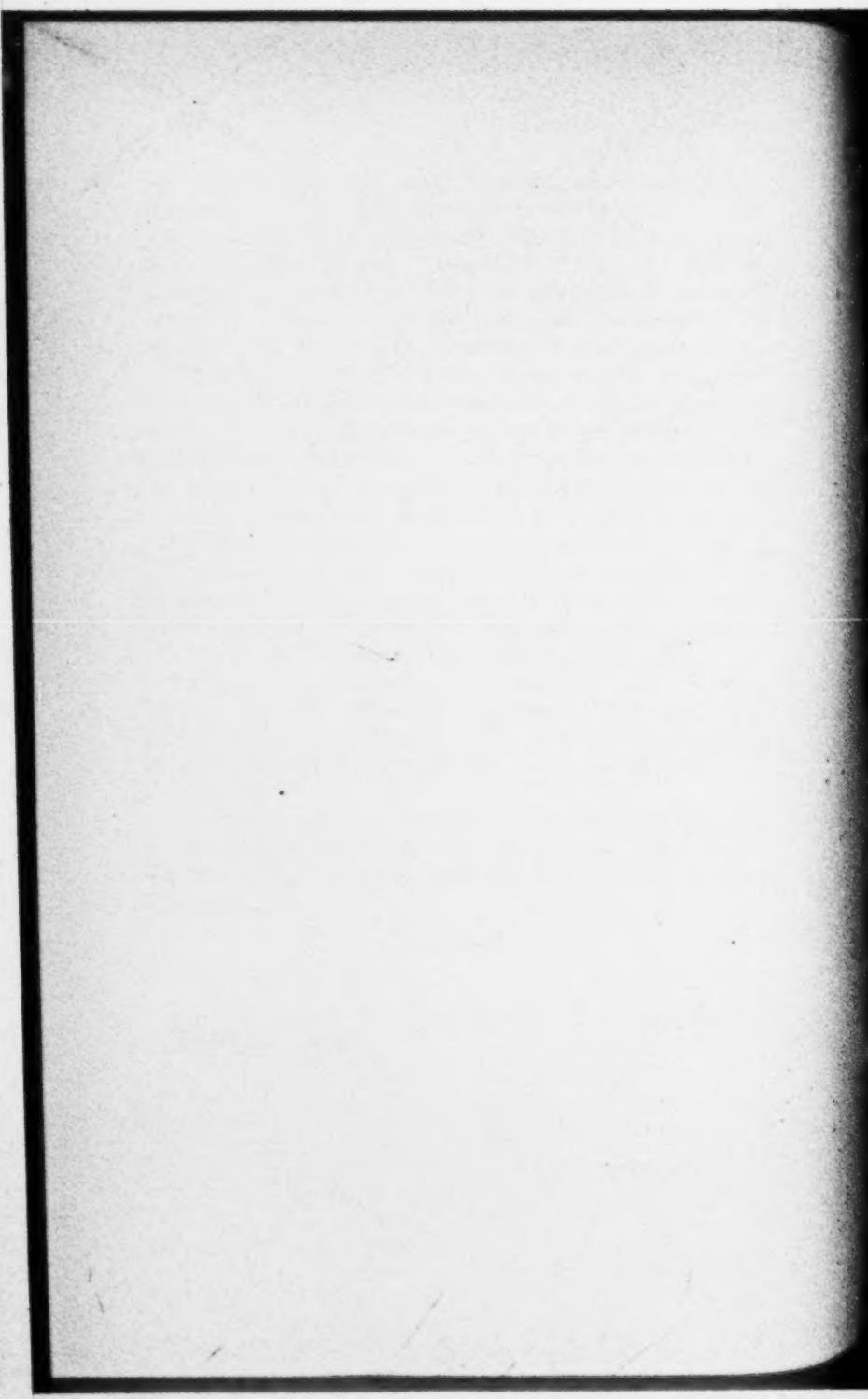
We submit no case has been made for the allowance of the writ of certiorari; that there is no error in the rulings below, and that even so, the petition is premature.

Respectfully,

H. A. TOULMIN,  
*Counsel for Respondent.*

*September, 1911.*





# Supreme Court of the United States.

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OCTOBER TERM, 1912.

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No. 311.

RUBBER TIRE WHEEL COMPANY  
AND  
CONSOLIDATED RUBBER TIRE COMPANY,  
DEFENDANTS, PETITIONERS,  
v.  
GOODYEAR TIRE & RUBBER COMPANY,  
COMPLAINANTS.

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ON WRIT OF CERTIORARI TO THE UNITED STATES  
CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

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## BRIEF FOR THE DEFENDANTS, PETITIONERS.

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### STATEMENT OF THE CASE.

This suit was begun by a bill in equity filed by the Goodyear Tire & Rubber Company in the Southern District of Ohio, Western Division, August 23, 1907. (Rec. pp. 1-7.)

In this suit a preliminary injunction was granted by the Circuit Court of the United States for the Southern District of Ohio against the petitioners enjoining them from proceeding with a suit which they had brought against

one Doherty for the alleged infringement of Grant patent No. 554,675 dated February 18, 1896.

The bill of complaint sets out the fact that the complainant, the Goodyear Company, had been sued in the Circuit Court of the United States for the Northern District of Ohio for the infringement of the Grant patent and that after the Circuit Court had adjudged the patent valid and infringed, the Circuit Court of Appeals for the Sixth Circuit held the patent invalid and entered a decree dismissing the bill of complaint.

The bill herein further alleges that the defendants had thereafter brought suits on the patent against certain customers of the Goodyear Company thereby injuring the business of that company and prayed for an injunction perpetually restraining the defendants (your petitioners) from "bringing any suit or suits against anyone in the United States for alleged infringement of said alleged patent to Arthur W. Grant, No. 554,675, dated February 18, 1896, by reason of the purchase, use or sale of any of said solid rubber tires manufactured by and purchased from your orator, and that your orator may have such other and further relief as the equity of the case may require".

Because of failure of proof, no relief was granted as to the Banner Buggy Company or Russell E. Gardner or H. F. Manning of Havana, Cuba, named in the bill (as amended) as customers of the Goodyear Company against whom proceedings had been instituted by your petitioners on the Grant patent. It was proved, however, that a suit had been brought against one John Doherty by your petitioners because of the manufacture by said Doherty of a rubber-tired wheel infringing the Grant patent.

The proof against Doherty appears in the record, pages 23-30; 32-37. It is there shown that Doherty was in the business of making rubber-tired wheels and that in his manufacture he purchased from the Goodyear Company

the rubber portion of the rubber-tired wheel but nothing else. He purchased the wire, which is the second element of the patented combination, from the B. F. Goodrich Company, and the tire channel, the third element of the patented combination, from the Rutherford Rubber Company. He himself combined these three elements into a rubber-tired wheel having a structure infringing the Grant patent and thereby was the manufacturer of an infringing wheel.

The ground for relief relied upon in this case was that under the decision in *Kessler v. Eldred*, 206 U. S. 285, customers of the Goodyear Company who bought from it rubber-tired wheels were not liable to suit on the Grant patent and the Goodyear Company contends in this suit that as it had sold to Doherty one element (the rubber strip) of the patented combination made by him in infringement of the patent he was just as much protected against suit on the patent as he would have been if he had bought the entire combination from the Goodyear Company.

On motion for preliminary injunction in the case at bar Judge Sater enjoined (Rec. p. 41) the defendants from prosecuting the suit against John Doherty on the Grant patent and from —

"prosecuting any action in any court of the United States based on alleged infringement of Letters Patent No. 554,675, issued February, 1896, to one A. W. Grant, against any person, firm or corporation for dealing in, buying or selling or using any of complainant's solid rubber tires or any of the combined parts thereof."

From this decree the defendants herein appealed to the United States Circuit Court of Appeals for the Sixth Circuit which court by an opinion filed December 15, 1910

(Rec. p. 49), by Warrington, J., affirmed the preliminary injunction as to Doherty, but reversed the order as to the other customers of the Goodyear Company.

The defendants' petition to this court raises, therefore, only the question as to the Goodyear Company's right to enjoin the defendants from prosecuting their suit against Doherty.

It will be remembered that this court in the case of *Diamond Rubber Company of New York v. Consolidated Rubber Tire Company*, 220 U. S. 428, sustained and held infringed this Grant patent on *certiorari* to the Circuit Court of Appeals for the Second Circuit.

The question involved in this case and before this court may be stated as follows: —

Has the Goodyear Company, against whom the defendants brought suit on the Grant patent in the Sixth Circuit, in which suit it was decreed that the Grant patent was null and void, the right to enjoin the owners of this patent from suing in the Second Circuit a person who makes a rubber-tired wheel, which is an infringement of the Grant patent, with a piece of rubber purchased from the Goodyear Company and designed to be used for that purpose, and with a channel and with wires purchased from third parties, who are not licensees under the Grant patent and who are not in privity with the Goodyear Company or with any other person in whose favor a decree has been entered that the Grant patent is null and void? Is the maker of such a wheel protected by the decree in the Goodyear case when he acquired one element only of the patented combination from the Goodyear Company, he himself being the one who does the infringing act of making the combination, as he would be if he bought the entire patented combination from the Goodyear Company?

**THE GRANT PATENT.**

The Grant patent was before this court in *Diamond Rubber Company v. Consolidated Rubber Tire Company*, 220 U.S. 428, and was held valid and infringed. The patent is fully described in the opinion of Justice McKenna in that case, and therefore, a brief description here will be sufficient.

On its face the patent was granted for a Rubber-Tired Wheel". Each of the two claims of the patent is for a "vehicle wheel having" the combination of three elements, — namely, (1) a rim or channel of a peculiar shape, (2) a rubber tire of a peculiar shape associated in a particular way with the channel and its shape, and (3) two retaining wires passing through the rubber tire and placed in a particular position with reference to the rubber and to the channel. A fourth element in the second claim is a canvas strip on the bottom of the rubber.

The channel is defined as having "tapered or inclined sides" or flanges.

The rubber tire is defined as having an "inner portion", adapted to fit the channel and an "outer portion" having "sides at an angle to the inner portion". A necessary characteristic is that "the angle or corner between the outer and inner portions" shall be "within the outer periphery of the flanges" of the channel.

The two retaining wires are characterized as being "independent" and being passed "through the inner portions of the tire" and being located within the outer peripheries of the flanges" of the channel.

The rubber-tired wheel, therefore, of the Grant patent is a combination of peculiarly shaped and correlated elements — the channel, the rubber tire and the wires — the parts of each element having a particular and definite relation to the parts of the other elements, the whole

making an integral rubber-tired wheel having very specific and definite characteristics.

The two claims of the Grant patent are as follows:—

“ 1. A vehicle-wheel having a metallic rim with angularly-projecting flanges to form a channel or groove with tapered or inclined sides, a rubber tire, the inner portion of which is adapted to fit in said groove or channel and the outer portion having sides at an angle to the inner portion, the angle or corner between the outer and inner portions being located within the outer periphery of the flanges, and independent retaining-wires passing entirely through the inner portions of said tire and also within the outer peripheries of the flanges, substantially as described.

“ 2. A vehicle-wheel having a metallic rim with outwardly-projecting flanges at an angle to the plane of said wheel so as to form a channel or groove having tapered or inclined sides, a rubber tire, the inner portion of which is adapted to fit in said tapered groove or channel, and the outer or exposed portions formed at an angle thereto, the angle or corner between the said portions being placed within the outer periphery of said flanges, openings extending entirely through the unexposed portion of said tire, and independent retaining-wires in said openings, and a reinforcing-strip of fibrous material placed at the bottom of said tire and wholly within said flanges, substantially as specified.”

Concerning these claims this court said in the *Diamond Rubber Co. v. Consolidated Rubber Co.* case (p. 431):—

“ It will be observed that the tire is composed of three elements: First, the channel or groove with tapered or inclined sides; second, the rubber tire

adapted to fit into the channel or groove, and shaped as described; third, the fastening device, that is, the independent retaining wires located as indicated."

Concerning the co-operation of the elements of Grant's rubber-tired wheel this court said in the same case (p. 443):—

"And it is the result of something more than each element acting separately. It is not the result alone of the iron channel with diverging sides, nor alone of the retaining bands or the rubber. They each have uses and perform them to an end different from the effect of either, and they must have been designed to such end, contrived to exactly produce it. There can be no other deduction from their careful relation. The adaptation of the rubber to the flaring channel, the shape of that permitting lateral movement and compression, the retaining band, holding and yielding, placed in such precise adjustment and correlation with the other parts, producing a tire that 'when compressed and bent sidewise shall not escape from the channel and shall not be cut on the flange of the channel', and shall 'be mobile in the channel'."

In the Grant patented rubber-tired wheel, therefore, there was a new and patentable structure, the novelty and patentability of which did not depend upon the novelty and patentability of the separate elements making up that structure, but upon their co-operation and combination in the manner described.

The rubber-tired wheel of Grant was just as much a new thing in and of itself as a new chemical combination or as was the new Nicholson pavement involved in the case of *Elizabeth v. Pavement Co.*, 97 U. S. 126, concerning which this court said (p. 141):—

"The Nicholson pavement was a complete thing, consisting of a certain combination of elements."

This is exactly true of the Grant rubber-tired wheel.

#### THE ISSUE IN THIS CASE.

The defendants, the owners of the Grant patent, sued John Doherty for infringing the Grant patent because he made a rubber-tired wheel in exact accordance with the Grant patent. Doherty made this wheel by combining a channel brought from the Rutherford Company, wires bought from the B. F. Goodrich Company and a rubber strip bought from the Goodyear Company. Neither the Goodrich Company nor the Rutherford Company were licensees under the Grant patent or protected by any decree holding that patent invalid or not infringed.

The Goodyear Company claims that Doherty had the right to make rubber-tired wheels infringing the Grant patent because he bought the rubber used by him from the Goodyear Company after a decree had been entered in the suit on the patent in the Sixth Circuit against the Goodyear Company declaring the Grant patent null and void in favor of that company, although he bought the other elements of the patented combination from others who were not protected against the Grant patent, and himself committed the entire act of infringement, namely, the making of the infringing wheel. The Goodyear Company relies upon the case of *Kessler v. Eldred*, 206 U. S. 285, in which this Court held that Kessler, a manufacturer of an electric cigar lighter who had successfully defended a suit against a patent in which a specific form of cigar lighter was alleged to infringe, could enjoin the patentee from bringing suits against his customers for selling that specific cigar lighter made by him.

Our position is that the case of *Kessler v. Eldred*, in-

volves no such proposition as that for which the complainant now contends, but that to enjoin these defendants, the owners of the Grant patent, from prosecuting their suit against Doherty would be a manifest perversion of the equitable principle of trade protection set forth in *Kessler v. Eldred*, and would be contrary to the justice and spirit of the Patent Laws.

The Grant patent has been declared by this Court to be a good and valid patent, and the structure which Doherty made from the Rutherford channel, the Goodrich wires and the Goodyear rubber is conceded to be an infringement.

The Grant patent as a result of the decree of this Court would be conceded by every court in the country, including the courts of the Sixth and Seventh Circuits, to be a good and valid patent and your petitioner's rights under this patent are to exclude everyone from making, using and selling the rubber-tired wheel covered by the patent.

It must be conceded in view of the opinion of this Court that the decrees of the courts of the Sixth and Seventh Circuits, that the Grant patent is null and void in the cases against the Goodyear Company and others, were wrong and unjust to the owners of the patent, and that these decrees wrongfully have deprived the owners of the Grant patent of a large part of the value of their patent and have injured them irretrievably and deprived them of their exclusive rights to which they were entitled.

It cannot be the law that this situation of injustice and deprivation of just rights under their patent will be extended and magnified by this Court so that the Goodyear Company can not only make and sell rubber-tired wheels embodying Grant's invention, but it can, simply by the sale of a rubber strip or wires or channels or any other single element of the patented combination in effect license all other manufacturers of rubber-tired wheels in

the United States to make Grant tires provided they use the rubber, or some other element of the combination, acquired from by the Goodyear Company. This would be an unwarrantable extension of the immunity of the Goodyear Company created by decree of the court of the Sixth Circuit, to other unlicensed manufacturers.

Doherty infringed the Grant patent when he made a rubber-tired wheel. The Goodyear Company did not make a Grant wheel when it made and sold Doherty the rubber which he used. If Doherty had used the rubber for another purpose or had sent it to Canada to be made into a rubber-tired wheel the Goodyear Company would not even have been a contributory infringer because it would not have acted with Doherty to infringe the patent. *Bullock Co. v. Westinghouse*, 129 Fed. 105. If the Goodyear Company had sold the rubber to Doherty knowing and intending that he was to use it in making up a Grant rubber-tired wheel, and he did so use it, then the Goodyear Company would have been a contributory infringer and liable as such except for the decree which protects it from suit. *Thomson-Houston Co. v. Ohio Brass Co.*, 80 Fed. 712, 721.

The defendants, the owners of the Grant patent, could sue the Rutherford Company for supplying the channel used by Doherty, and they could sue the Goodrich Company for supplying the wire used by Doherty; the Rutherford Company and the Goodrich Company were contributory infringers because they knowingly and independently assisted Doherty to infringe the Grant patent.

Can it be for a moment contended that the immunity of the Goodyear Company extends to the manufacturers of channels and wire used in making the infringing tire with the rubber supplied by the Goodyear Company? Such a result is shocking in its injustice and yet that is the logical result of the complainant's contention in this case.

The decree of the court in the Sixth Circuit permits the Goodyear Company to make, use and sell rubber-tired wheels without danger of suit under the Grant patent, and the case of *Kessler v. Eldred* permits it to obtain the same immunity for the sellers and users of the *rubber-tired wheels* made and sold by the Goodyear Company; but that decree did not give the Goodyear Company the right to assign to other wheel manufacturers and dealers in the United States any right to make rubber-tired wheels infringing of the Grant patent, nor did it give the right to manufacturers of channels and manufacturers of wire to assist wheel manufacturers in making Grant wheels simply because the rubber used was furnished by the Goodyear Company.

The rights which the complainant asks this Court to secure to it are far in excess of the rights granted to it under the decree in question and would extend the immunity granted it by the decree to a host of other persons and concerns who are not in privity with the decree, and who are not using or selling rubber-tired wheels made by the Goodyear Company.

Doherty in the specific case at bar is not protected by the decree in favor of the Goodyear Company because he is not in privity with the Goodyear Company, who alone is a party to the decree relied on. It is only in favor of the Goodyear Company, not of Doherty, that the estoppel raised by the decree runs. *Reed v. Proprietors*, 8 How. 274; *Aspden v. Nixon*, 4 How. 467; *Birdsell v. Shaliol*, 112 U. S. 485; *Russell v. Place*, 94 U. S. 606.

Doherty is not protected under the doctrine of trade protection set forth in the case of *Kessler v. Eldred* because he is not selling rubber tired wheels made by the Goodyear Company. On the contrary, Doherty is making a rubber-tired wheel which is an infringement of

the Grant patent and he has no valid defence against or license under that patent.

It has been said that the Goodyear Company is in the position of a licensee under the Grant patent, having the right to make, use and sell the rubber-tired wheel of the Grant patent. If such is the legal status of the Goodyear Company it follows that Doherty is not protected by the license. The Goodyear Company could not assign its license to Doherty, and there is no pretense that Doherty was acting as the agent of the Goodyear Company. He was an independent individual manufacturing the rubber-tired wheel on his own responsibility, for his own profit and on his own machinery at his own expense. The Goodyear Company could not assign its license to him, as is well settled.

*Hapgood v. Hewitt*, 119 U. S. 226, 234.

*Troy Iron & Nail Factory v. Corning*, 14 How. 205, 216.

*Oliver v. Rumford Works*, 109 U. S. 75, 83.

*Bowers v. Lake Superior Co.*, 149 Fed. 983, 986.

#### **ANALOGY WITH INFRINGEMENT BY RECONSTRUCTION.**

The situation arising in this case bears a close analogy to infringement by the reconstruction of a patented article, a part of which has worn out by its intended use. The purchaser of a patented article, such for example as a Grant rubber-tired wheel, has the right to use it until it is worn out, but has no right to reconstruct it,—that is, if he used a Grant tire until the rubber was entirely worn out he would have no right to make a new tire by taking off the worn-out rubber and replacing it with a new rubber. Such a reconstruction would be plainly the making of a new tire and an infringement of the Grant patent, as is thoroughly settled.

*National Cash Register Co. v. Grobet*, 153 Fed. 905, C. C. A. 2d.

*American Cotton Tie Co. v. Simmons*, 106 U. S. 89.

*Davis v. Edison Co.*, 60 Fed. 276, C. C. A. 1st.

*Thomson-Houston Co. v. Kelsey*, 75 Fed. 1005, C. C. A. 1st.

*Goodyear Co. v. Jackson*, 112 Fed. 146, C. C. A. 1st.

*Shickle v. St. Louis Co.*, 77 Fed. 739, C. C. A. 8th.

Yet such an user in re-employing some of the elements of the old wheel, as the channel and the wires perhaps, would be using elements of the device which by his purchase of the wheel in the first instance had passed out of the monopoly of the patent when used as long as the combination, in which it was incorporated, lasted; just as the rubber made by the Goodyear Company might be said to be outside of the monopoly of the patent if used in a complete Grant wheel made by the Goodyear Company.

The cases above cited stand for the well-settled proposition that no one has a right to reconstruct a patented device even if some of its elements are entirely intact. In other words, the fact that because certain elements of the device have once paid tribute to the patentee as part of a complete thing which passed beyond the monopoly of the patent, that does not give their owner the right to recombine them with other new elements of the patented structure into an infringement.

In the case at bar, even if the Goodyear Company had the right to sell the rubber element of the combination because of its decree, the Rutherford Company and the Goodrich Company had no right to sell to Doherty, the channel and the wires,—the other elements of the combination — with the intention to enable Doherty to make an infringing wheel, nor did Doherty have the right to

make the complete rubber-tired wheel. Each person and concern must stand on its own rights. The infringing wheel was made by Doherty and not by the Goodyear Company.

Moreover, the rubber made by the Goodyear Company could be used in a rubber-tired wheel without infringing the Grant patent. One of the essential characteristics of the Grant structure is that the rubber shall have a capacity to creep or move in the channel and shall not be held therein by cement. Anybody can take the rubber made by the Goodyear Company and cement it into a channel and so obtain a rubber-tired wheel which would not infringe the Grant patent.

There is no force in the argument that the rubber made by the Goodyear Company could be used only in Grant wheels.

Nor is it true that the rubber is an any more vital element in the Grant rubber-tired wheel than is the channel or the wires. The channel must be of a certain shape; its sides must be flaring and they must be of such a length as not to extend beyond the angle between the two portions of the rubber. The wires also must be situated in the tire within the peripheries of the flanges of the channel. It is, therefore, a fact that the characteristics of the channel, its flanges and of the wires and also their relation to one another as well as the characteristics of the rubber and its relation to the channel and wires are all vital elements of the Grant patent. No one of these characteristics can be omitted without destroying the Grant structure. These parts are fully as vital as the rubber.

**COMPLAINANT'S CONTENTION LEADS TO AN  
ABSURDITY.**

Complainant's contention in this case is well expressed in the following statement taken from its brief in the Court of Appeals :—

" So in this case the rubber, which the Goodyear Company sells to Doherty, has been freed from the monopoly of the patent — freed by judicial decree. Therefore, Doherty who purchased this rubber from such lawful source has the right to combine therewith his wire and channel iron, which he manufactures into endless bands with united ends, respectively, from long lengths of straight channel bars and bundles of wire."

If the complainant's conclusion followed from its premise, the result would be an absurdity, and practically nullify the patentee's rights all over the United States, not only with respect to the Goodyear Company's rubber-tired wheels, but with respect to every wheel manufacturer or user who could trace one of the elements of the combination to the Goodyear Company.

The Goodyear Company might as well sell the wire to wheel manufacturers and then assert that they were its customers and therefore entitled to make infringing Grant wheels. The wire is as much an element in Grant's combination as is the rubber.

This is a result entirely beyond the contemplation of the case of *Kessler v. Eldred*. No such license to others to infringe the Grant patent is in the least degree necessary to protect the Goodyear Company in its right not to have its business in manufacturing and selling Grant rubber-tired wheels interfered with. As long as it manufactures and sells rubber-tired wheels it may do so, but

the sale of it by one element of Grant's combination does not carry with it to everybody else the right to make rubber-tired wheels with that element.

Take a case of the chemical combination of chemical A, chemical B and chemical C. Each one of these chemicals being well known and not covered by a patent, each one is free of any patent monopoly and yet the three chemicals when brought together co-act upon one another and form a new substance which is patentable. Each one of these chemicals can be purchased in the open market by anyone. Yet freedom to purchase individual chemicals does not give the purchaser the right to combine them into an infringing product. It could make no difference in principle whether a seller of one of these chemicals had obtained a decree to the effect that the patent was null and void, his customer who purchased one of these chemicals from him would obtain no more right to infringe the patent than he would if he purchased the same chemical from a third party.

In each and every case the purchaser of the element derives no right to infringe the patent because of the immunity of its seller as to the whole combination.

The successful litigant in whose favor the patent was decreed null and void may carry on his business in manufacturing and selling the patented article without interference from the patentee and his customers to whom he sells the patented article may deal in it freely, and thus his trade is fully protected. This right we concede to the Goodyear Company; but the Goodyear Company's business in manufacturing and selling Grant rubber-tired wheels is not interfered with by the defendants' rights as owners of the Grant patent to enjoin all other persons dealing in rubber-tired wheels, which are not made by the Goodyear Company, from manufacturing and selling infringing wheels.

Complainant's contention is illogical and would be productive of the grossest injustice.

**KESSLER v. ELDRED (206 U. S. 285).**

In *Kessler v. Eldred*, Kessler's right resulting from the decree that his cigar lighter was not an infringement of Eldred's patent is defined by this court as follows (p. 289) :—

"It is Kessler's right that those customers should, in respect of the articles before the court in the previous judgment, be let alone by Eldred, and it is Eldred's duty to let them alone."

This right of Kessler was his own and not that of his customers. It is not contended or stated in *Kessler v. Eldred* that Kessler's customers were in privity with him. The contentions to this effect made by the complainant herein are plainly unsound.

Kessler's sole right was not to have his trade interfered with in the articles decreed not to infringe. He was given no right, however, to authorize others *to make* infringing cigar lighters. His right was a purely personal one and unassignable. No one contended that Kessler, by supplying a spring of the right kind to cigar cutter manufacturers throughout the United States had the right to prevent interference with these persons' manufacture of infringing cigar lighters embodying that spring. Kessler's right to his own trade was not held to be a cloak to protect other manufacturers of cigar lighters.

We submit that no such right existed in Kessler, certainly none was given him by this Court, and no such right exists in the Goodyear Company, the complainant. Let the Goodyear Company make all the rubber-tired wheels that it pleases in accordance with the Grant patent and these complainants are estopped by the decree from

suing them, and the Goodyear Company has as to those wheels the right to prevent these defendants from stopping their sale and use, in whose-ever hands they may be. But under the patent laws these defendants have the right to prevent all other persons from *making*, using and selling Grant rubber-tired wheels.

Doherty made such a wheel. He did not buy it of the Goodyear Company. It was not made by that company, and that company's right to prevent interference with its business in Grant rubber-tired wheels would not be interfered with if Doherty were enjoined from the further manufacture of wheels so made by him.

If the Goodyear Company simply sold the wire, it could argue, equally as well as it does now, that an injunction restraining Doherty from using this wire in the manufacture of Grant rubber-tired wheels was an interference with its business in selling wire. The argument goes too far. Anyone can sell wire. An injunction restraining anybody from infringing the Grant patent interferes with somebody's right to sell wire. It is against the use of this wire in making up the combination of the Grant rubber-tired wheel that the patent grants the exclusive right.

The Goodyear Company in selling wire, channels or rubber is in no different position from any other person selling such articles. It does not make the Grant rubber-tired wheel, it does not sell it, and its trade in Grant wheels is not interfered with because third parties may be enjoined from making Grant tires with one of these elements sold by the Goodyear Company.

We submit that the case at bar is clearly distinguished from that of *Kessler v. Eldred*.

**THE OPINION OF THE CIRCUIT COURT OF APPEALS.**

The opinion of the Circuit Court of Appeals, 183 Fed. 978, affirming the injunction restraining the defendants from prosecuting their suit against Doherty appears to us to be based on a misunderstanding of the case of *Kessler v. Eldred*. As we have above pointed out, the doctrine of that case does not depend upon the freedom of the Goodyear Company or anybody else to make an element of Grant's combination, but upon the right of a manufacturer, who has successfully defended a patent suit, to enjoin the patentee from interfering with his trade in the specific articles involved in that suit. The right to free trade in Grant rubber-tired wheels made by it is the only right that the Goodyear Company acquired under its decree.

The Court of Appeals says:—

“The inevitable effect of the final adjudication, as between these parties, was, we think, to restore appellee (the Goodyear Co.) to the same rights respecting the sales of its tires that it would have possessed had the Grant patent never been issued.”

Even conceding that this is true, the decree only gives the Goodyear Company a license under the Grant patent, and does not give a license to anybody else; for example, Doherty.

The Court of Appeals then says:—

“To say that appellee (the Goodyear Co.), may sell all the elements of the Grant patent as an entirety but may not sell them separately is to deny to appellee in regard to a void patent a privilege equivalent to that accorded to a licensee under a valid patent to use less than the whole of the patented device. (*Young v. Foerster*, [C. C.] 37 Fed. 203-204), or to a purchaser

of a valid patented device to use as part of it an unpatentable article. (*Morgan Envelope Co. v. Albany Paper Co.*, 152 U. S. 425-433.)

Here the court indulges in a plain *non-sequitur*.

It may be true that a licensee under a patent may use less than the whole of the patented device, but this does not give an independent manufacturer who buys of him one of the elements of the patented device the right to combine that element with the other elements into an entirety.

We know of no case, and we believe there is none in the books, where a licensee under a license to make and sell a patented article has been held to extend his license by selling one of the elements of the patented article to independent manufacturers, and thereby to license them to make and sell the patented article. If a licensee did this, he would be clearly acting outside of his license to make and sell, and even if his license protected him from suit as a contributory infringer in supplying one of the elements of the patented device to an independent manufacturer, his license would not protect that independent manufacturer from his own infringement.

*Young v. Foerster* was a case holding that a purchaser had a right to repair a patented machine and replace such parts as would be broken or worn out in the ordinary use of the machine.

*The Morgan Envelope* case decided that the user of a patented article, one element of which was intended to be used up, had the right to replace that element as it was worn out.

These cases have nothing to do with the situation arising in the case at bar, where Doherty is making an entirely new rubber-tired wheel, and where there is no question of repairing an old machine, nor of supplying an old machine with parts which are used up in its normal use.

In connection with the complainant's contention that defendants be enjoined from suing Doherty, it is an interesting and significant fact that the Goodyear Company has, since the decree in its favor on the Grant patent, made an agreement with the defendants by which it is licensed under the patent and agrees to pay royalties, and by which agreement the defendants are obliged to sue infringers. (Rec. p. 17.)

#### CONCLUSION.

In conclusion, we respectfully submit that as against Doherty the Grant patent is a good and valid patent, that Doherty is not in privity with the Goodyear Company under the decree relied upon, that Doherty being an independent manufacturer of an infringing rubber-tired wheel, is responsible for his own infringement, and that the doctrine of *Kessler v. Eldred*, which would protect the Goodyear Company in the sale of rubber-tire wheels manufactured by it, does not secure Doherty immunity from suit on the Grant patent, simply because in the rubber-tire wheel manufactured by him he incorporated as one of its elements the rubber purchased of the Goodyear Company.

The decree of the District Court should be reversed and the preliminary injunction dissolved.

Respectfully submitted,

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